

## Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 241034

43

ORIGIN L-03

INFO OCT-01 EUR-25 ISO-00 FCSC-01 CIAE-00 INR-10 NSAE-00

RSC-01 SS-20 NSC-10 EB-11 /082 R

DRAFTED BY L/C:FAKWIA TEK/EUR/EE:WSSSHEPARD

APPROVED BY EUR/EE:JABK RAKER

EUR/CE:HWILGIS(SUBST)

L:GHALDRICH

----- 086513

R 101652Z DEC 73

FM SECSTATE WASHDC

TO AMEMBASSY BUDAPEST

LIMITE\* OFFICIAL U\*E STATE 241034

E.O. 11652: N/A

TAGS: EFIN, HU

SUBJECT: CLAIMS NEGOTIATIONS

REF: BUDAPEST 3724

1 EMBASSY'S READING OF 1973 CLAIMS AGREEMENT 9 (PARA 1 REFTEL) IS CORRECT, IN THAT "OUTSTANDING" CLAIMS WERE DEALT WITH, AND NOT THOSE CLAIMS THAT WERE PREVIOUSLY SETTLED DIRECTLY BY GOH IN COURT CASES.

2. SALANS, KWIA TEK AND WILGIS ALL RECALL TH\*\*\*DDITIONAL \$250,000 THAT WAS ADDED DURING THE NEGOTIATIONS WITH FEKETE IN OCTOBER, 1972. THIS SUM, HOWEVER, TREATED UN-ADJUDICATED GOH NATIONALIZATIONS OF PROPERTY FOLLOWING AUGUST 9, 1955. SUCH CLAIMS WERE NOT WITHIN THE JURISDICTION \*F THE FOREIGN CLAIMS SETTLEMENT COMMISSION AS TIME EXPIRED EFFECTIVE AUGUST 9, 1955. SINCE THERE HAD BEEN NO PRELIMINARY ADJUDICATION ON THE U.S. SIDE OF THEIR VALUATION, THE QUARTER MILLION DOLLAR FIGURE WAS A ROUGH CALCULATION OF 40 PE\*CENT SETTLEMENT OF WHAT THOSE CLAIMS WOULD AMOUNT TO UPON ADJUDICATION. (LEGISLATION TO AUTHORIZE THE FOREIGN CLAIMS SETTLEMENT COMMISSION TO LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 241034

ADJUDICATE THESE CLAIMS UNDER THE CLAIMS AGREEMENT OF

MARCH 6, 1973 HAS RECENTLY BEEN INTRODUCED IN THE SENATE).

3. NEITHER THIS ADDITIONAL SUM NOR ANY OTHER PORTION OF THE AGREEMENT REFLECTED ANY AGREEMENT TO SUBSUME CLAIMS WHICH THE GOH HAD SETTLED WITH CLAIMANTS CONSENT. AS A

MATTER OF FACT WHEN POST-1955 CLAIMS WERE RAISED DURING NEGOTIATIONS, MEMBERS OF GOH DELEGATION ARGUED THAT SUCH CLAIMS DID NOT EXIST AND UPON SUBMISSION OF EVIDENCE BY US THEY AGREED SUCH CLAIMS WERE FEW IN NUMBER AND INVOLVED ISOLATED TAKINGS OF BUILDING LOTS.

4. OVER TWO DOZEN CASES OF CANCELLED BANK ACCOUNTS HAVE NOW COME TO OUR ATTENTION, AND THERE HAS ALSO BEEN CONGRESSIONAL INTEREST. WE BELIEVE THIS MATTER SHOULD BE DISCUSSED AGAIN WITH FEKETE AND APPROPRIATE FINANCE MINISTRY OFFICIALS IN AN ATTEMPT TO OBTAIN A SUCCESSFUL RESOLUTION. ASSISTANT LEGAL ADVISER FOR CLAIMS, FABIAN KWIATEK, WHO PARTICIPATED DIRECTLY IN CLAIMS NEGOTIATIONS WITH FEKETE AND DRAFTED AGREEMENT COULD BE IN BUDAPEST IN EARLY JANUARY IN CONNECTION WITH HIS VISIT TO PRAGUE TO CONTINUE CLAIMS TALKS THERE. WE BELIEVE KWIATEK'S PARTICIPATION IN FURTHER DISCUSSIONS WITH FEKETE AND OTHER GOH OFFICIALS COULD REINFORCE EMBASSY'S PRESENTATION. EMBASSY'S VIEWS REQUESTED. RUSH

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** NATIONALIZATION, NEGOTIATIONS, DEBTS, LAND NATIONALIZATION  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 10 DEC 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** collinp0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973STATE241034  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** FAKWATEK/EUR/EE:WSSHEPARD  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1973/newtext/t19731234/aaaaaysd.tel  
**Line Count:** 85  
**Locator:** TEXT ON-LINE  
**Office:** ORIGIN L  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** BUDAPEST 3724  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** collinp0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 21 SEP 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <21-Sep-2001 by thigpegh>; APPROVED <07 MAR 2002 by collinp0>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** CLAIMS NEGOTIATIONS  
**TAGS:** EFIN, HU  
**To:** BUDAPEST  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005